



Agenda Date: 10/07/09

Agenda Item: 2D

**State of New Jersey**  
**Board of Public Utilities**  
Two Gateway Center  
Newark, NJ 07102  
[www.nj.gov/bpu](http://www.nj.gov/bpu)

ENERGY

JERSEY CENTRAL POWER & LIGHT	)	Respondent
COMPANY,	)	
Petitioner,	)	ORDER
	)	APPROVING STIPULATION
vs.	)	OF SETTLEMENT
	)	
NEW JERSEY NATURAL GAS	)	DOCKET NO. EC07010043
COMPANY,	)	
Respondent,	)	

Dean Stathis, for Jersey Central Power & Light Company, Morristown, New Jersey

Joseph P. Shields, for New Jersey Natural Gas Company, Wall, New Jersey

Paul E. Flanagan, Deputy Public Advocate and Kurt S. Lewandowski, Assistant Deputy Public Advocate, Department of the Public Advocate, Division of Rate Counsel

Babette Tenzer, Deputy Attorney General, on Behalf of the Staff of the Board of Public Utilities

BY THE BOARD:

BACKGROUND/PROCEDURAL HISTORY

On January 22, 2007, Jersey Central Power & Light Company ("JCP&L") filed a petition with the Board of Public Utilities ("Board" or "BPU") pursuant to the December 18, 2006 order of the Honorable Joseph L. Foster, J.S.C., of the Superior Court of New Jersey – Law Division Ocean County, entered in Lakewood Cogeneration, L.P. vs. Jersey Central Power & Light Co., et al. Docket No.: OCN-L-00545-06, which dismissed JCP&L's complaint against New Jersey Natural Gas Company ("NJNG") in that proceeding and transferred jurisdiction to the Board while retaining jurisdiction for certain purposes as set forth in that order.

In the petition, JCP&L alleges that billing adjustments made by NJNG beginning in or around June 2004 were inconsistent with NJNG's then currently effective gas tariff (NJNG Tariff – BPU No. 7 Gas ) and NJNG introduced measurement error into the billing process, resulting in an unjustified increase to JCP&L for gas that it purchased for delivery to the Lakewood Cogeneration, L.P. facility (the "Lakewood Facility").

In its answer filed on June 29, 2007, NJNG argues that the application of NJNG's "A" pressure factor of 1.0149, introduced in or around June 2004, was necessary to correct volumes recorded and reported at a base/reference pressure of 14.95 pounds per square inch absolute (psia) by the electronic instrumentation ("Turbo Correctors") connected to NJNG's meters at the Lakewood Facility to standard cubic feet with a pressure of 14.73 psia pursuant to NJNG's tariff. Therefore, NJNG argues, the adjustments did not introduce a measurement error into the billing process or result in an unjustified increase to JCP&L.

NJNG, JCP&L, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") and Staff of the Board of Public Utilities ("Board Staff") (collectively, the "Signatory Parties") engaged in discovery and participated in discovery conferences and settlement, which resulted in the attached Stipulation of Settlement ("Stipulation").

#### TERMS OF THE STIPULATION

The Signatory Parties agreed to certain provisions and executed a Stipulation dated August 12, 2009. Below are some of the key provisions of the Stipulation:<sup>1</sup>

1. Within thirty (30) days of execution of the Stipulation, NJNG will modify the settings on the Turbo Correctors and other instrumentation connected to its gas meters at the Lakewood Facility, as necessary, to record and report the gas volumes received by JCP&L at the Lakewood Facility to NJNG's billing department on the basis of a base/reference pressure of 14.73 psia without the need for adjustment of the reported volume within the billing system through application of NJNG's "A" pressure factor (1.0149). NJNG will provide written confirmation to JCP&L when completed. NJNG agrees to simultaneously provide to JCP&L all volume and related data that it supplies to Lakewood Cogeneration.
2. There will be no restatement, revision or recalculation of invoices for gas received by JCP&L from NJNG at the Lakewood Facility for the period prior to the effective date of the Stipulation. NJNG agrees that JCP&L is current in its payment of all invoices for gas received for the period prior to the effective date of the Stipulation. Schedule 1 attached to the Stipulation ("Schedule 1") reflects the payment, credits, and the amounts owed. The Signatory Parties agree that the Stipulation does not alter, supersede, modify or affect in whole or in part and remains expressly subject to the Final Decision and Order dated March 7, 2001 in In the Matter of Jersey Central Power and Light Company, BPU Docket Nos. EO97070458, EO97070459 and EO97970460 and the Board's Order dated May 17, 2004 in the consolidated matters

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<sup>1</sup> Although described at some length in this Order, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions contained in this Order.



titled In the Matter of the Verified Petition of Jersey Central Power and Light Company for Review and Approval of an increase in and Adjustments to its Unbundled Rates and Charges for Electric Service, Docket Nos. ER02080506, ER02080507, EO02070417 and ER02030173, (collectively, the "BPU Orders"). Both JCP&L and Rate Counsel reserve their respective rights, including but not limited to the right to challenge without limitation any of the representations made in Schedule 1, pursuant to the BPU Orders and relevant law in any subsequent proceedings, including JCP&L's next NGC annual filing. JCP&L represents that it will not seek to recover from ratepayers its attorney fees and costs incurred in this matter or in the State Court Action.

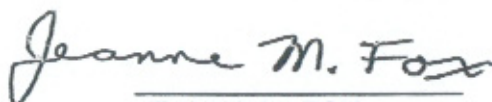
3. NJNG represents that all invoices that NJNG has provided to JCP&L for gas delivered to the Lakewood Facility from June 2004 through the effective date of the Stipulation are correct.
4. JCP&L shall have the right, at its own expense, to examine, audit and obtain copies of the relevant portions of the books and records of NJNG, but only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made with respect to the delivery of gas at the Lakewood Facility. All future invoices and billings are presumed to be final and accurate and all claims by either party for any under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the month of gas delivery. All retroactive adjustments resulting from any under- or overpayments will be paid in within 30 days of notice and substantiation of the inaccuracy.
5. JCP&L and NJNG agree that the provisions of the Stipulation fully resolve all issues in the State Court Action with respect to NJNG, and that the Stipulation be submitted to the Board for an order for transmittal to the State Court. Within fifteen (15) days of execution of this Stipulation, JCP&L and NJNG shall submit either a joint motion or proposed consent order, or such other appropriate pleadings in the State Court action requesting that the Superior Court Judge presiding over that proceeding enter an order dismissing fully, completely, for all purposes and with prejudice, NJNG as a party to the State Court Action.
7. Except as specified in Paragraph 2, nothing in the Stipulation addresses the prudence of the payments and billings between JCP&L, NJNG and Lakewood. The prudence of the gas and energy payments and billings at issue in this proceeding remains an issue to be resolved in JCP&L's next NGC filing, pursuant to applicable law, including without limitation, the BPU Orders and the New Jersey Electric Discount and Energy Competition Act. As set forth in Paragraph 2, JCP&L agrees that it will not seek to recover from its ratepayers its attorneys' fees and costs incurred in connection with this proceeding, the State Court or both.

DISCUSSION AND FINDINGS

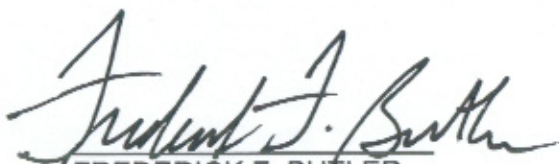
The Board, having reviewed the record and the Stipulation in this matter, HEREBY FINDS that Stipulation to be reasonable, in the public interest and in accordance with the law. Accordingly, the Board HEREBY ADOPTS the Stipulation in its entirety and HEREBY INCORPORATES the terms and conditions as if fully set forth herein.

DATED: 10/8/09

BOARD OF PUBLIC UTILITIES  
BY:



JEANNE M. FOX  
PRESIDENT



FREDERICK F. BUTLER  
COMMISSIONER



JOSEPH L. FIORDALISO  
COMMISSIONER



NICHOLAS ASSELTA  
COMMISSIONER

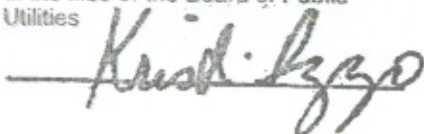


ELIZABETH RANDALL  
COMMISSIONER

ATTEST: 

KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities





**IN THE MATTER OF THE PETITION OF JERSEY CENTRAL POWER & LIGHT  
COMPANY, (PETITIONER), VS. NEW JERSEY NATURAL GAS COMPANY,  
(RESPONDENT) REGARDING A BILLING DISPUTE  
BPU DOCKET NO. EC07010043**

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**STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES**

JERSEY CENTRAL POWER & LIGHT  
COMPANY,

Petitioner,

vs.

NEW JERSEY NATURAL GAS COMPANY,

Respondent.

BPU DOCKET NO. EC07010043

**STIPULATION OF SETTLEMENT**

**TO: THE BOARD OF PUBLIC UTILITIES OF THE STATE OF NEW JERSEY**

In accordance with N.J.A.C. 1:1-19.1, New Jersey Natural Gas Company ("NJNG" or "Respondent") hereby submits on behalf of itself, Jersey Central Power and Light Company ("JCP&L" or "Petitioner"), the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff") a Stipulation of Settlement ("Settlement" or "Stipulation") for the purpose of resolving all matters associated with the billing dispute in the above-referenced proceeding. This Settlement is supported by NJNG, JCP&L, Rate Counsel, and Staff, which are the only parties to this proceeding, and who collectively request that the Board of Public Utilities (the "Board") issue an order adopting the Settlement and terminating the above captioned proceeding with prejudice.

**INTRODUCTION AND BACKGROUND**

The instant proceeding was initiated on January 22, 2007 by JCP&L's submission of a petition regarding a billing dispute with NJNG. Petitioner filed its petition pursuant to the order of the Honorable Joseph L. Foster, J.S.C., dated December 18, 2006, of the Superior Court of New Jersey – Law Division Ocean County, entered in Lakewood



Cogeneration, L.P. vs. Jersey Central Power & Light Co., et al., Docket No.: OCN-L-00545-06 (the "State Court Action"), dismissing defendant/third party plaintiff JCP&L's complaint against third party defendant NJNG in that proceeding and transferring jurisdiction to the Board while retaining jurisdiction for certain purposes as set forth in that order.

In its petition, JCP&L alleges that certain billing adjustments made by NJNG beginning in or around June 2004 were inconsistent with NJNG's currently effective gas tariff – NJNG Tariff – BPU No. 7 Gas – on file with the Board (the "Tariff") and introduced measurement error into the billing process, resulting in an unjustified increase in JCP&L's invoices for gas that it purchases for delivery to the Lakewood Cogeneration, L.P. facility (the "Lakewood Facility").

On June 29, 2007, NJNG filed an answer alleging that the billing adjustments (specifically, the application of NJNG's "A" pressure factor of 1.0149) introduced in or around June 2004 were necessary to correct volumes recorded and reported at a base/reference pressure of 14.95 pounds per square inch absolute (psia) by the Turbo Correctors (i.e., electronic instrumentation associated with the meters) connected to NJNG's meters at the Lakewood Facility to standard cubic feet with a pressure of 14.73 psia pursuant to the Tariff and, therefore, the adjustments did not introduce a measurement error into the billing process or result in an unjustified increase in JCP&L's invoices.

Discovery was conducted by the parties, with both JCP&L and NJNG responding to numerous discovery requests by the Public Advocate, Division of Rate Counsel ("Rate

Counsel"). JCP&L and NJNG also engaged in discovery in the State Court Action, which discovery was also provided to the Public Advocate, Division of Rate Counsel.

Concurrently with the conduct of written discovery, Staff facilitated discovery conferences and settlement discussions, including but not limited to (i) a meeting of all parties at the Board's Newark, NJ offices on July 12, 2007; (ii) a meeting on July 26, 2007 at the Lakewood Facility attended by all parties to observe the operation and settings of NJNG's gas meters and associated Turbo Correctors; (iii) a conference call on August 2, 2007 to discuss certain calculations demonstrating correction of the actual gas volumes recorded by NJNG's meters during the July 26, 2007 site visit to standard cubic feet with a pressure of 14.73 psia; (iv) exchange of technical expert submissions as to the propriety and reliability of the NJNG methodology; and (v) various further calls among staff, JCP&L and NJNG. Rate Counsel was assisted by its own outside consultant and was in attendance at various meetings, but had a limited role in settlement discussions between JCP&L and NJNG.

The discussions and negotiations between the parties, including Staff, during this period produced the resolution reflected in the following stipulation by the parties:

#### **STIPULATION**

1. Within thirty (30) days of execution of this Stipulation, NJNG will modify the settings on the Turbo Correctors and other instrumentation connected to its gas meters at the Lakewood Facility, as necessary, to record and report the gas volumes received by JCP&L at the Lakewood Facility to NJNG's billing department on the basis of a base/reference pressure of 14.73 psia without the need for adjustment of the reported volume within the billing system through application of NJNG's "A" pressure factor



(1.0149), and provide written confirmation to JCP&L when completed. NJNG agrees to provide to JCP&L all volume and related data that it supplies to Lakewood Cogeneration, L.P. at the same time such data is transmitted to Lakewood Cogeneration, L.P. and, to the extent permission to provide such data to JCP&L is needed from Lakewood Cogeneration L.P., then NJNG and JCP&L shall take reasonable steps to obtain such permission from Lakewood Cogeneration L.P.

2. There shall be no restatement, revision or recalculation of invoices for gas received by JCP&L from NJNG for gas service at the Lakewood Facility provided by NJNG to JCP&L for the period prior to the effective date of the Settlement. NJNG agrees and acknowledges that JCP&L is current in payment of all invoices for gas received from NJNG for the period prior to the effective date of the Settlement. Attached hereto as Schedule 1 is a statement showing the payments, credits, and amounts owed. Column (1) shows the amounts in dekatherms for natural gas billed to JCP&L by NJNG for gas consumed at Lakewood; column (2) shows the cost in dollars for natural gas billed to JCP&L by NJNG for gas consumed at Lakewood; column (3) shows the amounts taken as a credit by JCP&L against the price of electricity charged by Lakewood Cogeneration, L.P. for the same period (based on a pressure factor of 14.73 psia; column (4) is the additional money owed to Lakewood based on the billing adjustment that NJNG failed to make to convert volumes based on 14.95 psia to volumes based on 14.73 psia; column; (5) is the amount paid by JCP&L to Lakewood for electricity for the same period net of the natural gas costs and charged to the NGC deferral; column (6) shows the revenue received by JCP&L from PJM for selling the electrical output of Lakewood into the PJM administered market ("market price"); and column (7) shows the amount

reflected in JCP&L's NGC deferred balance. This Stipulation does not in any way alter, supersede, modify or affect in whole or in part, and remains expressly subject to, that certain Final Decision and Order dated March 7, 2001 in In the Matter of Jersey Central Power and Light Company, BPU Docket Nos. EO97070458, EO97070459 and EO97970460 and that certain order dated May 17, 2004 in the consolidated matters titled In the Matter of the Verified Petition of Jersey Central Power & Light Company for Review and Approval of an Increase in and Adjustments to its Unbundled Rates and Charges for Electric Service, Docket Nos. ER02080506, ER02080507, EO02070417 and ER02030173 (collectively, the "BPU Orders"), with both JCP&L and Rate Counsel reserving their respective rights, including but not limited to the right to challenge without limitation any of the representations made in Schedule 1, pursuant to the BPU Orders and relevant law in any subsequent proceedings, including without limitation JCP&L's next NGC annual filing, except that JCP&L represents that it will not seek to recover its attorneys fees and costs incurred in this matter or the State Court Action or both from ratepayers.

3. NJNG and JCP&L have served upon the parties the discovery each exchanged in connection with the State Court Action by correspondence dated April 30, 2007. NJNG represents and warrants that all invoices that it has provided to JCP&L for gas delivered to the Lakewood Facility over the period June 2004 through the date of this Stipulation are correct, and accurately state the volumes of gas delivered and the amounts charged to JCP&L for receipt thereof.

4. JCP&L shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine, audit and obtain copies of the relevant portions of



the books and records of NJNG, but only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made with respect to the delivery of gas at the Lakewood Facility. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to metering, volumes and delivery of gas by NJNG at the Lakewood Facility. All future invoices and billings shall be presumed final and accurate, and all claims by either party for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the month of gas delivery. All retroactive adjustments resulting from any under- or overpayments shall be paid in full by the party owing payment within 30 days of notice and substantiation of such inaccuracy.

5. JCP&L and NJNG agree and acknowledge that the provisions of the Settlement fully and finally resolve all issues in the State Court Action with respect to NJNG, and that this Stipulation shall be submitted to the BPU for issuance of an appropriate order for transmittal to the State Court. Within fifteen (15) days of execution of this Stipulation, JCP&L and NJNG shall submit either a joint motion or proposed consent order, or such other appropriate pleadings in the State Court Action requesting that the Superior Court Judge presiding over that proceeding enter an order dismissing fully, completely, for all purposes and with prejudice, NJNG as a party to the State Court Action.

6. NJNG and JCP&L agree and acknowledge that the provisions of the Settlement are a complete and final resolution of all issues raised or that reasonably could be raised in this proceeding as between NJNG and JCP&L and their successors and

affiliates, and each fully, forever, and irrevocably releases and discharges the other parties and all of their related and affiliated entities and persons, predecessors, successors, assigns, divisions, subsidiaries, and affiliates, and all of their respective present and former employees, officers and directors from and against any and all actions, causes of action, suits, claims, charges, complaints or rights of any kind before the Board or any court that a party and all of its predecessors, successors, assigns, divisions, subsidiaries, and affiliates, and all of its present and former employees, officers and directors, now have, whether known or unknown, related to, arising out of, or that could have been brought under or in connection with the issues raised or that could be raised in this proceeding, Jersey Central Power & Light Company v. New Jersey Natural Gas Company, BPU Docket No. EC07010043, and/or Lakewood Cogeneration, L.P. v. Jersey Central Power & Light Co., Docket No. OCN-L-00545-06. However, nothing in this Paragraph or elsewhere in this Settlement is intended to or does affect a party's right to enforce the terms and provisions of this Settlement,

7. Except as specified in Paragraph 2 with regard to Rate Counsel, nothing in this Paragraph or elsewhere in this Stipulation addresses the prudence of the payments and billings between JCP&L, NJNG and Lakewood at issue in this proceeding, as among them. The prudence of the gas and energy payments and billings at issue in this proceeding remains an issue to be resolved in JCP&L's next NGC filing, pursuant to applicable law, including without limitation, the BPU Orders and the New Jersey Electric Discount and Energy Competition Act. As set forth in Paragraph 2, JCP&L agrees that it will not seek to recover its attorneys' fees and costs incurred in connection with this proceeding or the State Court Action or both from its ratepayers.



8. The parties agree that the Settlement reflects mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. The various provisions of this Settlement are not severable. None of the provisions shall become operative unless and until the Board issues an order approving this Settlement as to all of its terms and conditions without modification or condition. Therefore, if any modification is made to the terms of this Settlement, it is essential that each party be given the option, either to modify its own position to accept the proposed changes, or to resume the proceeding as if no agreement had been reached.

9. The titles and headings of the various sections in this Settlement are for reference purposes only. The titles and headings are not to be construed or taken into account in interpreting this Settlement and do not qualify, modify, or explain the effects of this Settlement.

10. This Settlement shall become effective as of the date of a final Board order approving its terms and conditions without modification or condition, unless all parties expressly agree to such changes.

11. This Settlement, if not approved in its entirety, or if approved with modifications or conditions to which the parties do not agree, shall not be admissible in evidence or in any way described or discussed in any Board or court proceeding, except to the extent necessary to enable parties to this proceeding to seek rehearing and appeal of a Board order that does not approve the Settlement as proposed. If approved in its entirety or with modifications or conditions agreed to by the parties, the restrictions in this Paragraph shall not apply.

12. The parties represent that a representative of each has signed this Settlement with the authority to legally bind the respective party, and that each party has voluntarily entered into this Settlement with full knowledge, understanding and acceptance of the terms of this Settlement.

13. This Settlement shall be governed by the laws of the State of New Jersey excluding any conflict of law rules that would direct the application of the law of another jurisdiction.

14. This Settlement may be executed in as many counterparts as there are parties to this Settlement, each of which shall be an original, but all of which shall constitute the same instrument.

15. It is the intent of the Parties that the provisions hereof be approved by the Board as being in the public interest. The Parties further agree that they consider the Stipulation to be binding on them for all purposes herein.

16. It is specifically understood and agreed that this Stipulation represents a negotiated agreement and has been made exclusively for the purpose of these proceedings, and that this shall not be precedential other than to bind NJNG and JCP&L.



Jersey Central Power & Light  
Lakewood Involving Process

April 3, 2008

Month/Year	NJNG Invoice to JCP&L for Gas Consumed at Lakewood (dth)	NJNG Invoice to JCP&L for Gas Consumed at Lakewood (lb)	Debit to Lakewood Electrical Invoice for Gas Usage based on 14.73 pps	Additional \$ Owed to Lakewood based on 14.93 pps	JCP&L Payments to Lakewood for Electrical Output (less cost of gas) Charged to NGC Deferral	Total PJM Market Value of Lakewood Output Credited to NGC Deferral	Lakewood Net Charges to NGC Deferral (7) = (5) - (6)
Jun-04	450,740	\$3,325,789	\$3,326,789	\$49,973	\$7,455,068	\$4,207,602	\$3,247,466
Jul-04	578,342	\$3,967,550	\$3,967,550	\$58,528	\$5,144,208	\$5,144,208	\$3,184,581
Aug-04	314,331	\$1,969,948	\$1,969,948	\$28,646	\$5,924,588	\$2,695,588	\$3,268,771
Sep-04	334,655	\$2,026,788	\$2,026,788	\$29,600	\$5,635,631	\$2,559,119	\$3,060,512
Oct-04	0	\$0	\$0	\$0	\$3,644,022	\$136,045	\$3,408,578
Nov-04	357,970	\$2,736,748	\$2,736,748	\$40,465	\$6,656,633	\$3,700,416	\$3,156,417
Dec-04	296,101	\$2,502,987	\$2,502,987	\$37,337	\$6,777,318	\$3,300,474	\$3,476,844
Jan-05	39,601	\$360,715	\$360,715	\$5,690	\$5,426,588	\$2,388,464	\$3,038,124
Feb-05	238,358	\$1,896,137	\$1,896,137	\$27,754	\$5,547,300	\$2,241,106	\$3,306,200
Mar-05	51,807	\$453,089	\$453,089	\$6,719	\$4,126,334	\$577,215	\$3,548,119
Apr-05	82,661	\$732,022	\$732,022	\$11,079	\$4,304,834	\$925,041	\$3,379,793
May-05	0	\$0	\$0	\$0	\$3,598,704	\$136,167	\$3,462,537
Jun-05	443,950	\$3,671,572	\$3,671,572	\$52,446	\$4,890,724	\$4,890,724	\$2,687,012
Jul-05	570,961	\$4,945,649	\$4,945,649	\$74,647	\$9,365,781	\$7,376,867	\$1,988,994
Aug-05	593,329	\$6,407,513	\$6,407,513	\$93,413	\$10,723,403	\$8,614,831	\$2,108,572
Sep-05	152,619	\$2,248,485	\$2,248,485	\$33,809	\$6,226,035	\$3,134,634	\$3,093,401
Oct-05	143,371	\$2,334,641	\$2,334,641	\$64,236	\$6,026,796	\$2,588,878	\$3,438,918
Nov-05	84,560	\$1,097,670	\$1,097,670	\$28,800	\$4,546,332	\$1,098,177	\$3,448,155
Dec-05	72,018	\$1,042,094	\$1,042,094	\$32,824	\$10,117,964	\$6,934,424	\$3,183,540
Jan-06	0	\$0	\$0	\$0	\$3,589,395	\$29,654	\$3,559,741
Feb-06	0	\$0	\$0	\$0	\$3,237,699	\$16,629	\$3,221,070
Mar-06	9,363	\$77,696	\$77,696	\$0	\$3,636,937	\$71,570	\$3,565,367
Apr-06	9,929	\$81,418	\$81,418	\$2,114	\$3,586,488	\$119,537	\$3,466,951
May-06	54,524	\$392,240	\$392,240	\$9,565	\$4,047,872	\$467,822	\$3,580,050
Jun-06	238,944	\$1,830,636	\$1,830,636	\$47,620	\$5,686,901	\$2,460,514	\$3,226,387
Jul-06	630,657	\$4,719,898	\$4,719,898	\$69,473	\$9,172,865	\$7,062,486	\$2,090,380
Aug-06	637,861	\$4,718,463	\$4,718,463	\$71,341	\$8,176,421	\$7,205,792	\$1,970,629
Sep-06	56,177	\$227,061	\$227,061	\$4,767	\$3,878,429	\$470,642	\$3,407,887
Oct-06	76,126	\$300,621	\$300,621	\$1,881	\$3,757,642	\$130,637	\$3,627,005
Nov-06	36,241	\$311,834	\$311,834	\$4,634	\$3,827,727	\$322,641	\$3,505,086
Dec-06	0	\$0	\$0	\$0	\$3,589,395	\$17,688	\$3,571,707
Jan-07	0	\$0	\$0	\$0	\$3,634,659	\$28,142	\$3,606,517
Feb-07	13,513	\$178,183	\$178,183	\$4,644	\$4,757,917	\$1,437,551	\$3,320,366
Mar-07	76,297	\$658,165	\$658,165	\$9,620	\$4,691,657	\$1,137,427	\$3,554,230
Apr-07	10,093	\$97,352	\$97,352	\$1,398	\$3,632,553	\$104,696	\$3,527,857
May-07	102,185	\$823,445	\$823,445	\$10,417	\$5,561,332	\$1,014,972	\$3,546,360
Jun-07	263,315	\$2,342,555	\$2,342,555	\$35,486	\$6,277,261	\$4,509,941	\$1,767,320
Jul-07	457,461	\$3,430,223	\$3,430,223	\$50,786	\$7,717,707	\$6,221,343	\$1,496,364
Aug-07	658,669	\$5,016,613	\$5,016,613	\$74,497	\$8,532,074	\$9,212,810	\$319,464
Sep-07	191,574	\$1,405,239	\$1,405,239	\$20,923	\$5,781,102	\$3,533,611	\$2,247,491
Oct-07	180,976	\$1,547,626	\$1,547,626	\$22,597	\$5,470,467	\$3,574,317	\$1,896,150
Nov-07	34,417	\$311,253	\$311,253	\$4,592	\$3,878,583	\$1,631,924	\$2,246,658
Dec-07	30,849	\$326,465	\$326,465	\$4,714	\$4,030,238	\$1,736,380	\$2,293,858
Jan-08	80,777	\$876,710	\$876,710	\$5,865	\$5,330,856	\$3,377,289	\$1,953,567
Feb-08	0	\$0	\$0	\$0	\$3,416,484	\$1,226,740	\$3,321,066 (b)

NOTE: Actual values may vary depending on various adjustments.

(b) Reflects actual invoice payments and market revenue recorded on JCP&L's books in the following month after PJM settlement. For financial accounting purposes, an estimated accrual is recorded in the current month and reversed in the following month.

(c) The amount paid to Lakewood Cogeneration LP of \$1,131,313 on February 20, 2008 as shown in Column (4) reflects the amount that JCP&L would have been paying to Lakewood Cogeneration LP for the period June 2004 through January 2008 as part of its cost of fuel, based on the correction by NJNG of NJNG's billing errors. This amount was not paid by JCP&L to Lakewood Cogeneration LP until NJNG property explained and demonstrated that the volumes of gas received were correct and has now represented same, so that JCP&L was assured that the volumes and billings related thereto were correct. The February 2008 charge of \$3,321,056 to the NGC deferral includes \$2,186,743 for the current month plus the \$1,131,313 makeup payment reflected in Column (4).

**JERSEY CENTRAL POWER AND LIGHT  
COMPANY**

DATED:

By: Dean Stathis  
Dean Stathis  
Director of Regulated Commodity Sourcing

**NEW JERSEY NATURAL GAS COMPANY**

DATED:

By: Joseph P. Shields  
Joseph P. Shields  
Senior Vice President, Energy Services

**RONALD K. CHEN, ESQ.,  
PUBLIC ADVOCATE OF NEW JERSEY**

**STEFANIE A. BRAND, ESQ., DIRECTOR,  
DIVISION OF RATE COUNSEL**

DATED:

By: \_\_\_\_\_  
Kurt S. Lewandowski, Esq.  
Assistant Deputy Public Advocate

**ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY  
On behalf of the Staff of the Board of Public  
Utilities**

DATED:

8/12/09

by Babette Tenzer  
Babette Tenzer  
Deputy Attorney General

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**JERSEY CENTRAL POWER AND LIGHT  
COMPANY**

DATED:

By: \_\_\_\_\_  
Dean Stathis  
Director of Regulated Commodity Sourcing

**NEW JERSEY NATURAL GAS COMPANY**

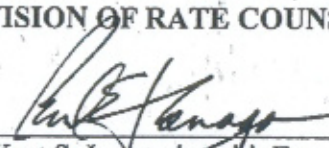
DATED:

By: \_\_\_\_\_  
Joseph P. Shields  
Senior Vice President, Energy Services

**RONALD K. CHEN, ESQ.  
PUBLIC ADVOCATE OF NEW JERSEY**

**STEFANIE A. BRAND, ESQ., DIRECTOR,  
DIVISION OF RATE COUNSEL**

DATED:

By:  \_\_\_\_\_  
~~Kurt S. Lewandowski, Esq.~~ *Paul E. Flanagan, Esq.*  
~~Assistant Deputy Public Advocate~~

**ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY  
On behalf of the Staff of the Board of Public  
Utilities**

DATED:

by \_\_\_\_\_  
Babette Tenzer  
Deputy Attorney General

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Minutes of Board Agenda Meeting  
Agenda Date: 10/07/09  
Agenda Item:

In the Matter of the Petition of Jersey Central Power & Light Company ("Petitioner"), vs.  
New Jersey Natural Gas Company ("Respondent")-Billing Dispute Docket No.  
EC07010043

**BACKGROUND:**

On January 22, 2007 Jersey Central Power & Light Company filed a petition pursuant to the December 18, 2006, order of the Honorable Joseph L. Foster, J.S.C., of the Superior Court of New Jersey – Law Division Ocean County, entered in Lakewood Cogeneration, L.P. vs. Jersey Central Power & Light Co., et al. Docket No.: OCN-L-00545-06, dismissing JCP&L's complaint against New Jersey Natural Gas Company regarding a billing dispute in that proceeding and transferring jurisdiction the Board while retaining jurisdiction for certain purposes as set forth in that order.

On August 12, 2009, JCP&L, NJNG, the Department of the Public Advocate, Division of Rate Counsel, and Board Staff executed a Stipulation of Settlement ("Stipulation") dated August 12, 2009 releasing each other from this claim and resolving all issues matter .

Staff recommended Board approval of the Stipulation.

**BOARD ACTION:**

The Board found that the Stipulation was reasonable, consistent the law and in the public interest. The Board approved the Stipulation in its entirety.